

Message Text

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ACTION NEA-10

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TAGS: ELAB,ECON, PINS, IS
SUBJECT: ARBITRATION, CIVIL SERVICE UNIONS, AND
PRICE WAGE PACKAGE

REF: (A) TEL AVIV#(B) TEL AVIV 763

SUMMARY: HISTADRUT SECRETARY GENERAL MESHEL TOLD
LABATT FEBRUARY 1 THAT GOVERNMENT-HISTADRUT EFFORTS WERE
CONTINUING TO OBTAIN CONFIDENCE AND SUPPORT OF CIVIL
SERVICE UNIONS FOR VOLUNTARY LABOR DISPUTES SETTLEMENT
FORMULA AND FOR REFORM OF GOVERNMENT SALARY SYSTEM IN

ORDER TO MINIMIZE DISRUPTION OF PUBLIC SERVICES. MESHEL
PROPOSED THAT THE GOVERNMENT ASK FOR TEMPORARY PRICE-
WAGE CONTROL LEGISLATION; IF THE OPPOSITION IS NOT WILLING
TO COOPERATE, IT MUST BEAR RESPONSIBILITY FOR THE FAILURE
TO FIGHT INFLATION. THE LACK OF A MEANINGFUL ECONOMIC
AND SOCIAL POLICY FROM THE OPPOSITION, ESPECIALLY THE
LIKUD, MAY BECOME A MAJOR ELECTION ISSUE. (END SUMMARY)

1. MESHEL STRESSED THAT IN ORDER TO COPE WITH LABOR
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PROBLEMS IN THE PUBLIC SERVICES, HISTADRUT MUST FIND
A FORMULA FOR RESTORING THE CONFIDENCE OF PUBLIC
SERVICE EMPLOYEES AND THEIR UNIONS AND FOR THE
ACCEPTANCE OF HISTADRUT AND GOVERNMENT AUTHORITY.
AFTER A LONG HISTORY OF NEGLECT AND IMPROVISATION IT
WAS DIFFICULT TO NEGOTIATE NEW RULES. THE GOVERNMENT,
THE LABOR PARTY, AND THE HISTADRUT HAD TO DEAL WITH

THE PROBLEMS OF RETAINING THE CONFIDENCE OF THEIR RESPECTIVE CONSTITUENCIES IN THEIR OWN, DIFFERENT WAYS; THERE WERE NOT ALWAYS EASY TO RECONCILE, DESPITE THEIR MUTUAL POLITICAL AND IDEOLOGICAL TIES. MESHEL'S PRIMARY RESPONSIBILITY REMAINED TO THE HISTADRUT.

2. COMMENTING ON THE QUESTION OF ARBITRATION OF PUBLIC SERVICE DISPUTES, MESHEL AND FINANCE MINISTER RABINOWITZ HAD AGREED TO POSTPONE AGREEMENT PENDING FURTHER NEGOTIATIONS WITH KEY CIVIL SERVICE UNIONS. UNLESS THE ACCEPTED THE PROPOSED ARRANGEMENT, GOVERNMENT AND HISTADRUT ABILITY TO ENFORCE ARBITRATION DECISIONS WOULD REMAIN UNCERTAIN.

3. MESHEL FELT THAT WITH GOVERNMENT AUTHORITY BEING WEAK, EVERYONE BELIEVES THAT AS LONG AS IT'S "ONLY A QUESTION OF MONEY", THE GOVERNMENT WOULD FIND THE FUNDS WHEN PRESSURED. THE HISTADRUT LEADERSHIP IS AWARE OF THE ECONOMIC DANGERS OF THIS APPROACH, BUT CANNOT TAKE FROM THE GOVERNMENT THE BURDEN OF PRIMARY RESPONSIBILITY AND AUTHORITY. IT MUST BE CONCERNED THAT THE AGREEMENT ENJOYS CREDIBILITY AND THE SUPPORT OF ITS MEMBERS AND IS NOT VIEWED AS UNILATERALLY IMPOSED. TO MAKE THE ARBITRATION AGREEMENT MORE ACCEPTABLE HE PROPOSED THE ESTABLISHMENT OF A SPECIAL PARLIAMENTARY COMMISSION FOR EXAMINING PUBLIC SECTOR LABOR DISPUTES. IF THE COMMISSION FINDS THAT THE PUBLIC WELFARE REQUIRES AN IMPOSED SETTLEMENT OF A CONFLICT, IT COULD THEN DIRECT ARBITRATION LIMITED OFFICIAL USE

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UNDER THE NEW AGREEMENT. IN OTHER CASES THE GOVERNMENT SHOULD RELY ON THE NORMAL NEGOTIATION PROCESS. THIS WOULD REMOVE FROM THE GOVERNMENT AND THE HISTADRUT THE ONUS OF COMPULSORY SETTLEMENT. IT ALSO WOULD BRING THE EXECUTIVE, LEGISLATIVE, AND JUDICIARY BRANCHES OF THE GOVERNMENT AND HISTADRUT TOGETHER IN MANAGING CONFLICTS.

4. LABOR CONFLICTS IN PUBLIC SERVICE REMAINED THE PRINCIPAL SOCIAL PROBLEM OF THE COUNTRY. CIVIL AND PUBLIC SERVICE UNIONS CONSTITUTED THE LARGEST SECTOR IN HISTADRUT, COMBINING CLERICAL, SUPERVISORY, TECHNICAL AND PROFESSIONAL EMPLOYEES, EACH WITH DIFFERENT INTERESTS, PROBLEMS, AND DEMANDS, BECAUSE OF THE UNION STRUCTURE, THEIR PROBLEMS ARE NOW LARGELY DEALT WITH IN A UNIFORM MANNER AND SALARIES OF DIFFERENT GROUPS, REGARDLESS OF FUNCTIONS AND RESPONSIBILITIES CONTINUE TO BE LINKED, SO THAT NO CONCESSION CAN BE MADE TO ONE GROUP WITHOUT PROVOKING SIMILAR DEMANDS BY OTHERS.

EACH PROFESSIONAL AND CLERICAL GROUP WANTS TO GO ITS OWN WAY, THREATENING TO BREAK UP THEIR UNION. THE REVOLT IS PRINCIPALLY DIRECTED AGAINST THE SECRETARY GENERAL OF THE CIVIL SERVICE UNION, CHAIM BERNSTEIN. IN THE MEANTIME INCOME TAX EMPLOYEES ARE CONTINUING TO WORK TO RULE, AS ARE AIR CONTROLLERS AND COMPUTER TECHNICIANS WHO REFUSED TO OPERATE COMPUTERS FOR PREPARING THE GOVERNMENT PAYROLL FOR FEBRUARY. THEY AGREED TO RETURN TO WORK ONLY WHEN THE GOVERNMENT THREATENED TO CONTRACT OUT GOVERNMENT PAYROLL PREPARATION AND PROMISED TO PAY EVERY CIVIL SERVANT A FLAT IL 3,000 PER MONTH UNTIL REGULAR PAYROLL ACCOUNTING IS RESUMED. ENGINEERS, TECHNICIANS, AND HOSPITAL LABORATORY PERSONNEL ARE ALSO THREATENING TO STRIKE.

5. MESHEL ADVOCATES BREAKING UP THE PUBLIC SERVICE LIMITED OFFICIAL USE

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UNIONS ACCORDING TO OCCUPATIONAL GROUPS, REVISING THEIR SALARY SCALES, AND PERMITTING SEPARATE NEGOTIATIONS BY THE NEWLY REGROUPED ORGANIZATIONS. ONLY SUCH SWEEPING REFORMS WOULD RESTORE TO UNION MEMBERS A SENSE OF DIRECT PARTICIPATION.

NOTE BY OC/T: #AS RECEIVED

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6. COMMENTING ON THE PRICE-WAGE PACKAGE DEAL PROPOSAL FOR GOVERNMENT-HISTADRUT-EMPLOYEES, MESHEL PROPOSED A TEMPORARY 4-5 MONTHS FREEZE. THE EMPLOYERS HAVE DEMANDED THAT THE GOVERNMENT AND THE HISTADRUT SPELL OUT THE PRICE-WAGE PLAN BEFORE THEY WOULD CONSIDER NEGOTIATIONS, FEARING THAT THEY WOULD HAVE TO BEAR MOST OF THE COST BURDEN. THEY CLAIM THAT PRICE RESTRAINT IS ALREADY DICTATED BY THE CURRENT ECONOMIC SITUATION, WHEREAS INFLATIONARY WAGE DEMANDS IN THE PUBLIC SECTOR CONTINUE UNABATED. MESHEL SAID HE HAD OFFERED TO DELAY WAGE INCREASES UNTIL AFTER THE KNESSET ELECTIONS IN MAY. IF THE EMPLOYERS DID NOT AGREE, THE GOVERNMENT SHOULD REQUEST KNESSET LEGISLATION OF A TEMPORARY PRICE-WAGE FREEZE. IF THE OPPOSITION, ESPECIALLY THE LIKUD, REFUSES TO COOPERATE--AS HE EXPECTS THEY WOULD-- RESPONSIBILITY FOR REFUSING TO COOPERATE IN CURBING INFLATION WOULD BE THEIRS. THIS MANEUVER WOULD HAVE TO AWAIT PASSAGE OF AN INTERIM BUDGET.

7. MESHEL WANTED THE GOVERNMENT AND THE LABOR PARTY TO CONFRONT KNESSET OPPOSITION, PARTICULARLY LIKUD, WITH THE FACT THAT THEY LACK A COHESIVE ALTERNATIVE

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ECONOMIC POLICY. ON THE ONE HAND THEY REJECT A TEMPORARY PRICE-WAGE CONTROL AND ON THE OTHER THEY WANT THE GOVERNMENT TO TAKE OVER SOCIAL INSURANCE AND WELFARE SERVICES FROM THE HISTADRUT AND TO USE NEW LEGISLATION AND EMERGENCY POWERS AS A SUBSTITUTE FOR THE DEMOCRATIC NEGOTIATING PROCESS. THEIR ESSENTIALLY ANTI-DEMOCRATIC STAND THREATENS EVERYTHING THE LABOR PARTY STANDS FOR.

COMMENT: MESHEL REALIZED THAT A PRICE-WAGE CONTROL COULD NEITHER BE NEGOTIATED NOR LEGISLATED BEFORE THE ELECTION. HE APPEARED, HOWEVER, LESS INTERESTED IN PLACING THE ONUS FOR THIS FAILURE ON THE EMPLOYERS THAN ON THE LIKUD OPPOSITION, HOPING THEREBY TO MAKE THIS A USEFUL CAMPAIGN ISSUE. IT REMAINS TO BE SEEN TO WHAT EXTENT THE GOVERNMENT AND THE LABOR PARTY WILL BE WILLING TO GO ALONG WITH THIS CAMPAIGN GAMBIT.

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